Revised

Secrt. H-27—58,004—27-10-47.

Development **(1948) Department.**

MS **SERIES.**

Cab
M/Sethna

G.O. NO.	5907
Dated	1 — 12 — 48

[Despatch Abstract.]

Industries - Sericulture - Govt. Silk Filatures
Kovvegal Sale of silk - Revision of rates
Proposal of the D. / Co - Approved

(40 S)

CONFIDENTIAL:

DEPARTMENT OF INDUSTRIES AND COMMERCE, MADRAS.

From
T.M.S. Mani, Esq., O.B.E., I.C.S.,
Director of Industries and Commerce,
Chepauk, MADRAS. 5.

To
The Secretary to Government,
Development Department,
Fort St. George, MADRAS. 9.

Letter No. 6101-D.1/47. Dated: 12th November 1948.

Sir,

Sub: Industries--Sericulture--Government Silk Filatures, Kollegal--Sale of silk--Revision of rates--Proposal.

Ref: G.O . No. 3890, dated 22nd July, 1948.

----oOoOoOo----

In paragraph 2 of my letter No. 6101-D/47, dated 7th July 1948, suggesting revised rates for the sale of Government Silk Filatures silk, it was pointed out that the proposed rates would ensure a difference of about Rs. 1-8-0 to Rs.2/- from the rates fixed for the Japanese silk. The rates for Japanese Silk had to be reduced subsequently as the Mysore Government sold some of their stocks of this silk at reduced rates and required us to adopt the revised rates--a reference is invited in this connection to my letter No. 2-J.S./48, dated 23rd September 1948 and Government's letter No. 91304-DI/48-7, dated 15th October 1948 addressed to the Secretary to His Highness the Maharajah of Mysore. Since the reduced rates for Japanese Silk were brought into effect, the difference in rates between the Japanese Silk and the Government Silk Filatures Silk has become practically negligible; in fact, 20/22 Denier re-reeled Government Silk Filatures Silk is costlier by as. 4/- than 20/22 Denier D Grade Japanese raw silk. In the circumstances and in view of the fact that the Japanese Silk is superior in quality to the indigenous silk, sales of Government Silk Filatures Silk did not come up to expectations. Even the sale of Japanese Silk was found to be difficult under the existing depressed conditions of the silk market. The quantity of Japanese Silk sold so far is about 17,000 lbs., while the quantity of Filature silk sold from April this year is about 14,000 lbs., The existing stock of Japanese raw silk and the Government Silk Filatures silk is about 1,02,000 lbs., and 42,500 lbs., respectively.

2. The condition of the silk-market is still unsatisfactory with rumours going about that the Government of India are going to revise their Import Trade Control Policy and allow imports of foreign raw silk. In fact, the recent announcement in the Press that the Government of India have decided to issue licences for the import of silk and art silk fabrics hitherto on the prohibited list has caused quite a sensation. I feel that we cannot rely on the Government of India any longer, especially after they have done this in spite of the various protests and representations submitted to them and before and it may be only a question of time before they allow imports of foreign silk also. If this happens, we may be sure that the prices of silk will fall to a considerable extent from the present level. It is understood that the Japanese raw silk can be imported now at a cost of Rs. 13/12/0 per pound--Madras Delivery. Under the circumstances, it is imperative that we take immediate

P.T.O

action to clear off our stocks of our filature silk or at least reduce stocks of silk getting rid of old production before it deteriorates and before prices decline further. (*) I had mentioned to Hon'ble the Minister for Industries that I was contemplating such a step and he was in agreement with me. I have now examined the matter in detail and in view of the urgency involved, I have ordered a reduction in the rates of our Filatures Silk by Rs.1/12/0 per lb. (this ensures a difference of Rs. 1/8/0 between 20/22 re-reeled Government Silk Filatures Silk and 20/22 Denier D Grade Japanese silk), in anticipation of Government's sanction. I request that Government may be pleased to approve of my action urgently.

3. The revised rates, inclusive of Sales Tax, are as follows:--

Quality:	Ordinary:	Re-reeled:
24/28	... Rs. 25 8 0	Rs. 27 8 0
20/22	... Rs. 26 12 0	Rs. 28 12 0
13/15	... Rs. 28 8 0	Rs. 30 8 0
9/11	... Rs. 29 8 0	Rs. 31 8 0

Rough calculations indicate that the average rate that may be realised by the sale of silk at the rates proposed now will not be below the actual cost of production of silk from July, 1947 to date. I am, however, examining the financial implications with reference to the book value of the stock of silk on hand and shall submit a report to Government in due course.

for Director of Industries and Commerce.

(*)

This will incidentally reduce the interest charges payable to Government on the value of the stocks; no commercial concern can afford to pile up such liabilities over a long period.

Dev. D.I

Please
8/20/11/48
64
1/12

Sub:- Industries - Sericulture - Govt. Silk Filatures, Kollegal - Sale of Silk - Revision of rates - Proposal of the D.I.C - Approved.

Ref 3.4cf (J)

Read again:-
G.O. Ms No. 3890 Dev. d. 22-7-48

Ref 1-2cf

Read also:-
From the D.I.C, Letter No. 6101-D.1/47 d. 12-11-48.

Order No. 5407 Dev. dt 1.12.48
MS

H.E. the Governor of Madras approves ~~ratifies~~ the action of the D.I.C in having arranged to sell the silk produced at the Govt Silk Filature, Kollegal at the following (revised) rates:-

vide M
no 2 cf

P.T.O

Quality of Silk	Rate per lb of ordinary silk	Rate per lb of re-reeled silk
24/28 —	Rs 25-8-0.	Rs 27-8-0
20/22 —	Rs 26-12-0	Rs 28-12-0
13/15 —	Rs 28-8-0	Rs 30-8-0
9/11 —	Rs 29-8-0	Rs 31-8-0

vide M' on p 2 c/f

2. The D.I.T.C. is requested to submit urgently a report on the financial implications of the proposal with reference to the book value of the stock of silk on hand. vide K on p 2 c/f

To
DIW/DIS 3.12.48 The D.I.T.C.
The A.G. thro Fin.
S.F.I.
S.C.

9/9/11/48 DIW 23.11.48

CPR 23.11.48

VR/11

130788 CB. 20.12.48

Note — Please see the letter from D.I.T.C. on pp 1-2 c/f. It is for orders whether his proposal at M' p 2 c/f to reduce the price of Salem silk will be approved and the statement promised at K' p 2 c/f will be awaited. Subject to orders the draft order pp 1-2 above is submitted for approval and issuance may see the draft. ⊗ vide A on p 2 c/f for acceptance before circulation.

VR/9/11/48 DIW 23.11.48

It is doubtful if even these prices can be maintained in view of the contemplated imports by the

J.S. Fin.

Dev. cmo/120485-DI/48 AB

8

a 29/11

Govt. of India. The revised prices may however be approved.

CPP 23.11.48

FIS Dy(Acts) 24882 Fin Dev

Accepted in Fin 24.11.48

Dev. D.I

Development No. 14/ 120485 D.I/48-1 25 NOV 1948

ASST. SECTION 100951 24 NOV 1948 FINANCE

For orders whether

Fin. Dev. No. 100951/ADB/48 dt 24-11-48

The draft order at Pt 1-2 above may now be issued.

Ⓓ vide A' at p 2c/n

25/11/48 DA 25.11.48 CPP 27.11.48 F.S. Hussain 29.11

(Acts) Dy. Fin

[G.O. 5907 Dev. dt. 1-12-48]

Industries & Commerce Department.

From
Sri P. Govinda Menon, B.E.,
Joint Director of Industries & Commerce,
Chepauk, Madras.

TO
The Joint Secretary to Govt.,
Development Dept., Madras.

127068

R.O.D1-6101/47, dated 23rd November, 1948.

Sub: Industries - Sericulture - Govt. Silk Filatures, Kollegal - Stocks of substandard silk - Reduction of rates.

The Sericultural Expert has reported that there is a stock of 1880 lbs. 8½ ozs. of substandard silk reeled out of inferior cocoons which were sorted out from good cocoons. Since the silk is reeled out of poor and inferior grade of cocoons, the quality of silk is poor and it cannot therefore be sold at the same rate as that of standard ~~xxxxx~~ grades of raw silk produced at the filature. This substandard silk approximates to the denier 28/30 and is therefore a coarser silk than the ordinary 24/28 denier silk for which a price of Rs.25-8-0 has been fixed recently in my letter No. D1.6101/47, dated 12-11-48. As the price for the coarser variety should be less than that of the finer silk, I have fixed the rate ~~for~~ for this sub-standard silk at Rs.24-8-0 a lb. and asked the Sericultural Expert to dispose

p.t.o.

off the stock as early as possible.

DEPUTY SECRETARY
10481
DEC 1963
FINANCE DEPARTMENT

for Joint Director of Industries
& Commerce.

MS/26/11/

Copy to Sericultural Expert,
Kollegal.

To AS

Dev. 91

The letter from the D.I.C. and the 2 above may be perused. The Dept has not asked for approval of this action ~~No approval is sought to be taken by the Director~~ in having fixed the rate for Sub Standard silk at Rs 24-8-0 per kg. Seems necessary. This may be lodged after perusal by Finance.

Approve above

Rs 8/12/68 Dir. 7.12.68

CPF 7.12.68

DEV

Dev 13/12/68

DEPUTY SECRETARY
10481
DEC 1968
FINANCE DEPARTMENT

No.D3-1458/47 dated 30-11-48 Industries and Commerce Depar

From : The Joint Director of Industries and Commerce, Chenauk

To : The Secretary to Government, Development Department, Ma

129950D

Sir,

Sub: Industries - Sericulture - Imports of raw silk and Cocoons from foreign countries.

Ref: This Office letter No.6101 D1/47 dated 12-11-.....

With reference to para 2 of this office letter cited I h to report to Government that the imports of raw silk continue of the supposed ban. I enclose a statement showing the quant and value of raw silk imported into the Province of Bombay, M and Calcutta from foreign countries from April to September 1 These figures were obtained from the Collector of Customs of respective places. From the statement it will be seen that a quantity of 10,56,720 lbs of silk have been imported for a pe of six months at an average C.I.F. value of about Rs. 13-2-0 If such imports are to continue, the indigenous silk industry province will be adversely affected. This has been brought to notice of Government for information.

for Joint Director of Industrie Commerce.

S.B/3-12

Submitted for perusal & orders as seems possible. May be lodged and ad

15.12.48

STATEMENT SHOWING THE QUANTITY AND VALUE OF RAW SILK IMPORTED INTO THE PROVINCE OF BOMBAY MADRAS AND CALCUTTA FROM APRIL 1948

S.No.	Month	Bombay			Madras			Calcutta.		
		Quantity in lbs.	Value in rupees	Rate per lb.	Quantity in lbs	Value in rupees.	Rate per lb.	Quantity in lbs.	Value in rupees.	Rate per pound.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	April'48	4,38,019	54,64,711/-	12.777	6,693	95,052/-	14. 3. 0	9,907	1,03,386/-	10. 7.0
2.	May '48	4 ,018	62,795/-	15.10.1	9,368	1,40,500/-	15. 0. 3	25,705	3,54,886/-	13.12.11
3.	June '48	2,05,674	24,65,360/-	10.15.3	9,311	1,22,330/-	13. 2. 3	46,281	5,41,935/-	11.11.5
4-	July '48	45,106	5,44,548/-	12.1 .1	914	12,249/-	13. 6. 5	155,661	18,66,916/-	11- 5.3
5.	August '48	70,130	8,63,950/-	12.5 .0	3,710	54,306/-	14.10. 2	3,500	47,876/-	13. 9.0
6.	September '48	7,256	98,478/-	13.9. 3	3,151	46,849/-	14.13. 10	22,326	1,56,11/-	12.15.2
Total		7,70,203	94,99,842/-		33,137	4,71,286/-		2,53,380	33,71,110/-	

ABSTRACT:

	Quantity in lbs.	Value in rupees.
1. Bombay	7,70,203	94,99,842/-
2. Madras	33,137	4,71,286/-
3. Calcutta	2,53,380	30,71,110/-
Total	10 ,56,720	1,30,42,238/-

STATEMENT SHOWING THE QUANTITY AND VALUE OF RAW SILK IMPORTED INTO THE PROVINCE OF BOMBAY MADRAS AND CALCUTTA FROM APRIL 1948

S.No.	Month	Bombay			Madras			Calcutta.		
		Quantity in lbs.	Valuen in rupees	Rate per lb.	Qunatity in lbs.	Value in rupees.	Rate per lb.	Quantity in lbs.	Value in rupees.	Rate per pound.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	April'48	4,38,019	54,64,711/-	12.777	6,695	95,052/-	14. 3. 0	9,907	1,03,386/-	10. 7.0
2.	May '48	4 ,018	62,795/-	15.10.1	9,368	1,40,500/-	15. 0. 3	25,705	3,54,886/-	13.12.11
3.	June '48	2,05,674	24,65,360/-	10.15.3	9,311	1,22,330/-	13. 2. 3	46,281	5,41,935/-	11.11.5
4-	July '48	45,106	5,44,548/-	12.1 .1	914	12,249/-	13. 6. 5	155,661	18,66,916/-	11- 5.3
5.	August '48	70,130	8,63,950/-	12.5 .0	3,710	54,306/-	14.10. 2	3,500	47,876/-	13. 9.0
6.	September '48	7,256	98,478/-	13.9. 3	3,151	46,849/-	14.13. 10	22,326	1,56,11/-	12.15.2
Total		7,70,203	94,99,842/-		33,137	4,71,286/-		2,53,380	30,71,110/-	

ABSTRACT:

	Quantity in lbs.	Value in rupees.
1. Bombay	7,70,203	94,99,842/-
2. Madras	33,137	4,71,286/-
3. Calcutta	2,53,380	30,71,110/-
Total	10 ,56,720	1,30,42,238/-

Dept (DI) Dept

T.M.

From the Asst Secretary to Govt., Dept Dept
To the DD & E., Madras.

Ref:- GO (Ms) No 5907, Dept., d. 1-12-48.

Please ~~send~~ expedite the report called for in para 2 of the GO cited above ~~urgently~~.

Low englps
dn 27/7
R D 8-8-49

P.C. 2/8/49

Note: With reference to para 2 of GO on pp 8-4 CB of (DI), draft T.M. above is submitted for approval

Dept Dept (DT)

J.M.

From the Asst. Secretary to Govt, Dept Dept

To the DD+C., Madras.

Sub:- Industries - Sericulture - G.S.F., Kollegala
Sale of silk - Revision of rates - Report
called for in para 2 of G.O 590 Dev Dt 1.12.48

Ref:- This Depth J.M. dated 27.7.49.

Please state when your reply may be expected.

9.8.49

Copy

Minute 8/10 Dept

(M)

1 a 1 of F

issued 11.8.49.

N.R 26.8.49

Industries and Commerce Department.

From
M.T.Raju Esq., Bar-at-law, I.C.S.
Director of Industries and
Commerce, Chepauk, Madras.

To
The Secretary to Government,
Development Department,
Madras.

No. 6674 D.1/48 dated 14-9-49.

93977

Sir,

Sub: Industries - Sericulture - Government Silk Filatures Kollegal - Sale of silk - Revision of rates - Report on the financial implication consequent on the revision of prices.

Ref: (1) G.O.No. 5907 Dev. dated 1st December, 48.
(2) Government Lost copy of T.M. dated 27-7-49.

- - - -

With reference to para 2 of the G.O. cited, I submit that it may not be possible to know the financial position for the particular period with reference to the revision of rates due to the reasons (a) that the rates of silk were revised on more than one occasion and (b) that the book value of the silk is being worked out only at the end of each financial year by the end of March, when preparing the proforma accounts. For the period 1-10-48 to 31-3-49 during which the revision of rates under reference was brought into effect, the filature has sustained a loss of Rs. 86,747-5-9 according to the proforma accounts.

kap. 14-9.

for Director of Industries and Commerce,
Madras.

Copy to the Sericultural Expert, Government Silk Filatures, Kollegal.

10. To A.S.

Submitted for perusal of the report on p5 above. No action is called for on it especially as the Govt have waived the stipulation that a margin of 6 ¼ % profit should be maintained in the sale of ~~sale~~ silk produced at the G.S.F, Kollegal — Vide G.O No 1560 Dis dt 24-3-48. (5) The papers may be lodged and added to (M) after perusal by Sir

21 Sept 21.9.48.

Draft no 86248 DT/48-2

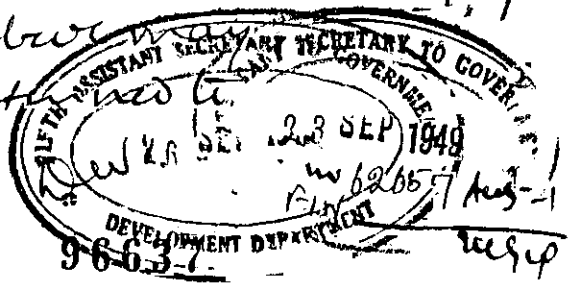
Dir (Acts) 23 Sept

The D of D.C's letter on p5 above may be perused and the case returned to Dev

Dev

CSK 23/9/48

to 23/9/48



96637

DEV 7

DAS.

Please see file note on p6 above. The papers may now be lodged and added to (M)